



# NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

## **USDA Rural Development Offering Grants to Assist with Value-Added Agriculture Projects**

*June 22 and July 6 Application Deadlines Established*

DES MOINES, Iowa – May 6, 2009 – Timothy Helmbrecht, USDA Rural Development Acting State Director in Iowa, today announced June 22 and July 6 application deadlines for grants to assist independent agricultural producers entering into value-added activities.

“These grants provide America’s farmers with the investment funds needed to expand their role in developing and marketing value-added products in domestic and international markets,” Helmbrecht said. “To ensure project applications are complete we strongly encourage draft applications to be submitted to our office for preliminary review at least three weeks prior to their deadline.”

Since 2001, 120 producers and businesses in Iowa have received more than \$20 million through this program. A total of \$18 million is available nationwide in 2009.

Grants are available to independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures. Grants can be used for planning that establishes a viable value-added marketing opportunity, or for working capital to operate a value-added business entering an emerging market.

The 2008 Farm Bill expanded the Value Added Producer Grant program and reserved 10 percent of available funds for mid-tier value chain projects which are local and regional supply networks that link independent producers with businesses and cooperatives that market value added agricultural products.

In addition, 10 percent of available funds will be reserved for beginning or socially disadvantaged farmers or ranchers. Another new feature to the program this year is a simplified application process for project proposals requesting less than \$50,000.

Applications for mid-tier value chain projects, and applications submitted by beginning or socially disadvantaged farmers or ranchers must be postmarked no later than June 22.

All other applications must be postmarked no later than July 6.

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“USDA is an equal opportunity provider, employer and lender.”  
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Planning grants can be used for feasibility studies, marketing and/or business plans. Grants can be used to pay consultants who guide producers through the development processes. The planning activities must be related to the marketing of a value-added product.

Working capital grants can be used by new or existing businesses to pay the operating expenses of new ventures entering emerging markets. Applicants other than Independent Producers applying for a Working Capital Grant must demonstrate that the Venture has not been in operation more than two years in order to show that the applicant is entering an Emerging Market.

Examples of previous grant recipients in Iowa include ethanol plants, biodiesel facilities, large wind farms, wineries, branded meat marketers, as well as pork, specialty soy oil and cheese and milk processors.

“The Value Added Producer Grant program creates jobs and improves the financial returns for producers and farm families across rural Iowa, and rural America,” Helmbrecht said. “I hope producers with interest in starting or expanding their value-added business will give us a call.”

#### **Contact USDA Rural Development**

For more information about this or other programs available through USDA Rural Development, please visit [www.rurdev.usda.gov/ia](http://www.rurdev.usda.gov/ia).

USDA Rural Development has 11 offices across the state serving the 1.9 million Iowans living in rural communities. Office locations include a State Office in Des Moines, along with Area Offices in Albia, Atlantic, Humboldt, Indianola, Iowa Falls, Le Mars, Mount Pleasant, Storm Lake, Tipton and Waverly.

USDA Rural Development’s mission is to deliver quality programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in home ownership, business development, and critical community and technology infrastructure.

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